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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**Summer Term End Term Examinations, August 2024**

**Winter Semester**: 2023 - 24

**Course Code**: COM2008

**Course Name**: Corporate Accounting

**Program & Sem**: BBA, BAV, B.COM

**Date**: 7/08/ 2024

**Time**: 9:30 am to 12:30 pm

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FIVE Questions. (5 Q x 2 M = 10 M)**

**1**. State the meaning of “Private Company” (CO1) [Knowledge ]

**2.** Explain the meaning of unmarked applications. (CO2) [Knowledge]

**3.** Identify the following items of apportionment basis under profit prior incorporation.

( a) Director fee (b) Insurance (c) Depreciation (d) Gross Profit (e) Bad Debts (CO3) [Application ]

**4.** Average profit of Rs, 1,87,500; share capital of Rs.15,000 share of Rs 100 each. Normal Rate of

return is 15%. Calculate value of share by yield method. (CO4) [Application ]

**5**. State the major heading under which the following items shown in the balance sheet of the Indian

companies act 2013.

a. Stock b. Debentures c. Prepaid expenses d. Land and Budling (CO5) [Application ]

**6.** Explain the concept of Forfeiture of shares with journal entries. (CO1) [Knowledge ]

**7.** Teju Ltd was incorporated on 31st July,2012 to take over an established business from 1st April

2012. The company prepared its first final on 31st March 2013. During the year 2012 t0 2013 the

total sales were Rs.48,00,000 out of which sales from 1st August ,2012 to 31st March, 2013 were

Rs. 30,00,000. Calculate Time ratio and sales ratio. (CO3) [Application ]

**Part B**

**Answer any FIVE Questions. (5 Q x 10 M = 50 M)**

**8.** Ramchandra Ltd issued 4,000 equity shares of Rs.100 each payable as follows: Rs.20 on

application, Rs.30 on allotment, Rs.20 on first call; Rs. 30 on final call. 3,000 shares were applied

for and allotted. All the money were received with exception of First and final calls on 100

shares. These shares were forfeited and re issued at a later date at the rate of Rs.80 per share.

Give journal entries to record the above transactions. (CO1) [Application]

**9.** Underwriting is an agreement between the underwriters and the company where the underwriters

ensure the company that in case the shares and debentures offered to the public are not

subscribed by the public then such shares and debentures will be taken up by the underwriters.

1. Explain the advantages and types of underwriters (b) State the maximum underwriters

commission for shares (Section 62 (1)) and debentures (Section 71(4)) as per Indian

Companies act 2013. (CO2) [Application]

**10.** Provide five examples of expenses relevant to the calculation of the time ratio, and five

examples of expenses relevant to the calculation of the sales ratio in profit prior to

incorporation. (CO3) [Application]

**11.** Discuss in detail about factors that influence the valuation of shares.  (CO4) [Application]

**12.** From the following information, prepare the balance sheet of Jam Ltd. as per the (revised)

Schedule VI: Inventories ₹. 7, 00,000; Equity Share Capital ₹. 16, 00,000; Plant and Machinery

₹. 8, 00,000; Preference Share Capital ₹. 6, 00,000; General Reserve’s ₹. 6, 00,000; Bills

payable ₹. 1, 50,000; Provision for taxation ₹. 2, 50,000; Land and Building ₹. 16, 00,000;

Noncurrent Investments ₹. 10, 00,000; Cash at Bank ₹. 5, 00,000; Creditors ₹. 2, 00,000; 12%

Debentures ₹. 12,00,000.  (CO5) [Application]

**13.** A debenture is a type of bond or other debt instrument that is unsecured by collateral.

Differentiate between shares and dentures. (CO1) [Knowledge ]

**14.** Draw specimen (proforma) of Statement of profit & loss as per Indian Companies Act 2013

with imaginary figures. (CO5) [Application]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

### 15. From the following Balance sheet of X Ltd, find out the value of each equity share by Net

### Assets method.

|  |  |
| --- | --- |
| Particulars | Rs |
| **Equity and Liabilities** |  |
| **SHAREHOLDES FUNDS** |  |
| Share capital (per share is Rs 10) | 4,00,000 |
| **RESERVES AND SURPLUS** |  |
| Profit and Loss | 60,000 |
| General Reserves | 5,00,000 |
|  |  |
| **Non-Current Liabilities** |  |
| 12% Debentures | 1,00,000 |
| **Current Liabilities** |  |
| S. Creditors | 60,000 |
| Bills payables | 40,000 |
|  |  |
| **Total Liabilities** | **11,60,000** |
| **ASSETS** |  |
| **Non-Current Assets** |  |
| Land and Building | 5,00,000 |
| Plant and Machinery | 4,00,000 |
| **Current Assets** |  |
| Stock | 1,00,000 |
| Debtors | 60,000 |
| investments | 80,000 |
| Preliminary exp | 20,000 |
| **Total Assets** | **11,60,000** |

(CO4) [Application]

**16.** A Company issued prospectus inviting applications for 350000 Equity shares of Rs.10 each.

The whole issue was fully unwritten by A, B, C, and D as follows:

A-1,40,000, B- 1,05,000, C- 70,000, D-35,000

Applications were received from 3,15000 shares of which marked applications were: A 1,54000

shares, B- 77,000 shares, C- 63,000 shares, D- 7,000 shares

Calculate the liability of the underwriters. (CO3) [Application]

**17**. A company is a legal entity formed by a group of individuals to engage in and operate a

business—commercial or industrial—enterprise. Explain the features of company.

(CO1) [Knowledge]